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SUBJECT: NOMINATION FOR AWARD FOR CORPORATE EXCELLENCE

REF: STATE 73362

CCKM Apparel Manufacturing (Jordan) LTD. has been a leader in promoting worker rights and workplace standards in Jordan's fastest-growing industrial sector during a difficult time in the Middle East. CCKM Jordan's good corporate citizenship has drawn praise from factory workers, industrial park managers, and U.S. retailers as a model for responsible investment in a sector that is heavily impacted by labor rights issues. Recognizing CCKM's leadership with the award for corporate excellence will help expand their example of good corporate citizenship throughout Jordan's economy, and will highlight the potential for Arab-Israeli economic cooperation.

CCKM Apparel Manufacturing (Jordan) LTD. is a wholly-owned subsidiary of New York-based Cannon County Knitting Mills (CCKM). CCKM first invested in Jordan in 2001, bringing \$2.5 million dollars and over 350 new jobs into the local economy. CCKM's decision to invest in Jordan represents in part a desire by owner Marty Granoff to make a concrete contribution to peace in the region by strengthening economic ties between Jordan and Israel through the Qualifying Industrial Zones (QIZ) initiative. The initiative, which gives tariff breaks to companies that export goods with Jordanian and Israeli content to the U.S., has produced an explosion of growth in Jordan's garment manufacturing sector, creating thousands of new jobs directly and tens of thousands indirectly. In the process, it has created a constituency for peace in Jordanian communities benefiting from new employment opportunities. CCKM Jordan has taken the lead in ensuring that the initiative develops in a sustainable and responsible fashion.

CCKM leads first and foremost by example, with a strong commitment to workplace safety. Along with Jordanian Labor Ministry officials, compliance inspectors from major U.S. retailers keep a close eye on conditions in QIZ factories. No factory has a better track record than CCKM. In fact, the manager of the industrial park in which CCKM is located often uses this factory as its showcase for prospective investors and buyers' agents. This commitment to workplace safety is matched by CCKM's commitment to its workers individually. CCKM has instituted a nutritional supplement program for its workers that provides them with morning energy drinks and subsidizes 90% of their lunch bills to ensure good worker health. CCKM also has a staunch commitment to training: the company wrote off its first year of production, instead devoting 100% of its time - and its salary budget - to training programs that lasted up to six months per worker.

CCKM has also embraced the local community as it has developed its workforce. CCKM holds regular graduation ceremonies for workers who complete training programs, along with factory tours for family members. These celebrations have an enormous impact in traditional societies that are suspicious of allowing women into the workplace. By including families into the training process, CCKM has dispelled fathers' misgivings about sending their daughters into factory work, and has replaced those misgivings with pride in seeing their daughters finish training courses that give them marketable skills (for some, the only formal education they've received). It has also given the community a stake in the success of the business. Finally, CCKM is training an all-Jordanian workforce. In an industry that relies heavily on expatriate labor (expats make up 25-33% of total sector employment), CCKM has pledged to the government and the community that the jobs it creates will be for Jordanians. The effectiveness of CCKM's approach is measurable: while they pay less than the average QIZ factory, they still have stacks of applications from new workers and prospective transferees from other plants, all of whom want to work in the family environment CCKM has created.

CCKM makes other fine contributions to the community - be it educating the Jordanian government on the importance of worker rights issues, or lobbying the Israeli government to expand the benefits of the QIZ initiative into higher value-added product lines in order to create more jobs and further solidify bilateral commercial ties. But it is the demonstrated commitment to the well-being of its workers that makes CCKM the standard-bearer for responsible investment in Jordan, and that is what makes CCKM a deserving recipient of the award for corporate excellence.

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